



Rural Development



1999 Progress Report

"We should all be proud of what has been accomplished in rural New York and through this country. The accomplishments outlined in the annual report, I believe, are a reflection of USDA's commitment to the residents of rural New York."

-Dan Glickman, Secretary of Agriculture



Agriculture Secretary Dan Glickman speaking at the Rural Economic Area Partnership (REAP) signing ceremony at Sullivan County Community College, Loch Sheldrake, NY.



World renowned, Anderson School is located in the picturesque community of Staatsburg in the Hudson Valley. It is one of New York State's foremost residential facilities for special education and autism providing residence to more than 135 children, youth and adults. Anderson is also well known for its international work and affiliations. Students from universities throughout Western Europe perform their field practice at the school each year. Purchase of this facility was made possible through a \$4.1 million loan guarantee from Rural Development's Community Facilities program and is representative of the many projects funded by Rural Development which serve to improve the lives of rural New Yorkers.



U.S. Representative Maurice Hinchey hands the pen to Under Secretary for Rural Development Jill Long Thompson (center) at the Tioga Co. REAP signing ceremony in Owego. Tioga County Legislative Chair, Frances Leavenworth (L) also signed the memorandum of agreement.

"USDA Rural Development programs contributed to record-high rural homeownership rates, record-low unemployment rates and generally improved rural living conditions nationally in 1999."

-Jill Long Thompson, Under Secretary for Rural Development

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Contents

4 *A Message from the
New York State Director*

6 *Rural Business-Cooperative
Service (RBS)*

10 *Rural Utilities Service (RUS)*

12 *Rural Housing Service (RHS)*
Single Family Housing
Multi-Family Housing

15 *Directory*

5 *Administrative Programs*

9 *Cooperative Development*

11 *Community Facilities (CF)*

14 *Community Development*
*Rural Economic Area Partnership
(REAP)*
*Canal Corridor Initiative
(CCI)*



State Director James B. Bays

A Message from New York Rural Development State Director, James B. Bays

As State Director of New York USDA Rural Development, I am again pleased to share with you our **Fiscal Year 1999 Progress Report**. Since our most historical reorganization of 1994 and our continuing efforts to reinvent ourselves, USDA Rural Development turns the page of a new millennium fully confident of our ability to serve our rural customers more effectively and efficiently with each succeeding year. The challenge of doing so was put in front of us by President Clinton and Vice President Gore as they took the national reigns in 1992 and has been buttressed and guided by Congress through the seven ensuing years. Together, then, the Executive and Legislative Branches of our great democracy have brought us to where we now find ourselves; streamlined, restructured and closer to our customers than ever before. Always known as the "**People's Department**," USDA continues to lead the Government in serving America's Rural citizenry. Our mission at USDA Rural Development is perhaps broadest of all – our agency's arms are spread wide to assess needs, muster diverse resources, facilitate strategic thinking and planning, and finally, to articulate needs and educate all those who can effect the kinds and levels of federal resources Rural America can put to great use through us. This is, after all, what USDA Rural Development is charged to do and this Progress Report is able to share only a small snapshot of our on-going positive impact here in Rural New York. This seat, as State Director, is a privileged seat indeed.

Fiscal Year 1999 brought to us the nation's third and fourth REAP Zones, another very successful Canal Corridor Initiative collaboration with HUD and the Department of Interior (Page 14), state of the art computers and platforms, new and expanded partnering and leveraging opportunities and national recognition for innovative and forward-thinking approaches to carrying out our mission. FY 99 was a year to refine and solidify our partnerships and collaborations.

This past year we were able to bring in excess of \$135 million from Washington to Rural New York through our programs and, when considering other monies leveraged with ours, over \$170 million in total impact. This is very significant loan-making activity and when coupled with our existing portfolio of over \$1.2 billion in housing, utilities and business assets that require servicing, it is obvious that we here at New York Rural Development are plenty busy.

And so I am proud, equally, of our dedicated and highly competent staff and of their perseverance in seeing staff numbers continue to decline with still more expected of us. This is an agency that many depend upon – and this is well understood and guides us day to day, century to century.

From my office in Syracuse and my home down on the farm in Chenango County, I extend my best wishes to all.

New York Rural Development Highlights

- Led the nation over the past ten years in guaranteed Community Facilities loans (\$52 million portfolio).
- Funded 17 Community Facilities loans ranking New York within the **top 5** in the nation (\$45 million portfolio).
- Provided 12 Community Facilities grants to public bodies and not-for-profit corporations, which was **No. 1** in the nation.
- Assisted 882 individuals or families to become homeowners by providing over \$55 million in direct and guaranteed housing loans.
- Assisted 202 low income families and individuals to make necessary repairs to their dwellings by providing nearly \$1 million in loans and grants.
- Ranked **6th** in the nation in providing Rural Housing Loan Partnership homeownership loans.
- Disbursed over \$93 million in program funds, and when considering leveraged funds, over \$119 million while actively implementing the joint HUD/USDA Canal Corridor Initiative.
- Designated Tioga County and Sullivan County/Town of Wawarsing as **2** of the Nation's four REAP Zones.
- Processed and approved 27 B&I guaranteed loans, which was the **4th** highest number of loans made in the country.
- Generated nine Distance Learning and Telemedicine loan and grant applications which was **No. 1** in the nation.
- Delivered 30 water and/or wastewater grants to municipalities which was the **3rd** in the nation.
- Recognized, along with the Massachusetts State Office, for doing the most to further the goal of assisting small and beginning farmers.
- Created and/or saved over 1,800 rural jobs through Rural Business-Cooperative Service funds.
- Continued with the successful implementation of New York's "Leveraged Loan Program" while delivering over \$2.2 million in Rural Development Multi-Family Housing loan funds that were leveraged with over \$4.2 million of non-Rural Development funds.
- Participated with Team USDA in the "Building Partnerships to Fight Hunger" Campaign, which resulted in over 3,629 pounds of non-perishable foods donated, and over 70,000 pounds of apples and potatoes gleaned through an effort in Wayne County.

Administrative Programs

The Administrative Programs Division provides Financial Management (budgeting), Information Technology (IT) - computers, phones; Human Resources (HR) - personnel, employee relations, position management; and Management Services (supplies, mail, leasing/space) support to Rural Development employees and programs in New York State.

Working closely with our sister USDA agencies, **Farm Service Agency (FSA)** and **Natural Resources Conservation Service (NRCS)**, the goal of having all New York Rural Development offices collocated in USDA Service Centers was achieved in 1999. The last to be collocated was in Ithaca. This office is the largest of our field offices as it houses employees from all functional levels within New York Rural Development. First, there are the employees of the traditional Local Servicing Office (LSO) who are responsible for delivering all Rural Development programs within a four county (Tompkins, Schuyler, Chemung and Seneca) area. Next, there are Regional employees who provide group loan program support to the internal and external customers of Region C. Finally, there are State Office employees who have statewide responsibilities in their areas of expertise. Included in this last group are the employees of the Central Processing Center (CPC) who process payments and perform other Rural Utilities Service (RUS) and Rural Housing Service (RHS)/Multi-Family Housing (MFH) servicing actions for the entire state.

Our CPC was the first of its kind in the Rural Development Mission Area. As envisioned by the New York Rural Development restructuring team in 1995, the CPC centralizes functions that would normally be done in each of our LSO's. True economies of scale, as well as mitigated vulnerabilities, have been achieved by having substantially fewer employees handling payments in just one location. Realizing the progressive thinking and innovation displayed in developing the CPC, the National Office provided advanced IT resources and support that enabled the CPC to be optimally functional.

Getting our foot in the door, so to speak, we were in a position to advance our IT platforms even further, culminating in 1999 with the Common Computer Environment (CCE) initiative. This initiative, implemented through two phases, was a joint effort between the three USDA Service Center agencies, which provided over 350 new desktop and



State Director James B. Bays (second from right) at the grand opening of the Binghamton Service Center.

laptop computers with Windows NT operating systems. The second phase of CCE is providing a substantial upgrade of printers. What this meant for New York Rural Development was that nearly all of our employees entered the new century using upgraded computer equipment. What it means for USDA is the establishment of "...a consistent, common and compatible information technology solution that supports the Service Center physical and organizational make-up and advances the business of the partner agencies." This is exactly what Vice President Al Gore had in mind when he introduced his vision of reinventing government through the utilization of Business Process Reengineering.

Having all of the latest hardware and software does an organization no good if the communications pipeline is too small. In 1999, USDA increased the size of our pipeline when all of our offices were placed on Frame Relay which improved communications speed and reduced the amount of unproductive time employees experienced waiting for necessary connections to data sources.

Technology in the HR area got a boost with the implementation of the Combined Administrative Management System (CAMS) in New York USDA. CAMS empowers the workforce to employ a paperless, easy to use, cost effective integrated information system to initiate certain personnel transactions.

No administrative program report would be complete without talking about actual dollars and cents. In 1999, a budget of \$7,848,280, including funds for salaries, benefits and administrative support, was administered and, through careful planning, prudent spending and continual oversight, our total spending was 0.2 percent under our allocation.

Rural Business-Cooperative Service (RBS)

Incentives for Economic Development In Rural Communities

Jobs are usually the number one priority of rural communities; more jobs, better jobs, job security, jobs to keep the younger generation from having to leave home. The primary goal of the Rural Business-Cooperative Service is to lend a helping hand to businesses that will provide these jobs. Through programs such as **Business and Industry loan guarantees, Rural Business Enterprise Grants and Intermediary Relending Program loans** we were able to impact 1800 jobs during the last year. The cost to the taxpayers was less than \$1,000 per job.

Business & Industry (B&I) Loan Guarantees

The greatest impact is achieved through the **Business & Industry** program. **Twenty-one rural businesses** will receive **\$31 million in loans** from their local banks and other commercial lenders because of the credit enhancement provided by the B&I guarantees. These businesses will eventually **employ more than 1600 people**. Some businesses such as **Ashford Concrete** and **Plattco Corporation** have been part of the local economy for many years and needed assistance to resolve problems and regain their vitality. Other businesses, as in the case of **Metalade, Inc.**, are relocating to improved facilities so that they can continue to grow and create jobs. New business development is also encouraged by the B&I program. **Blue Star Development** is opening a new **Microtel** motel near Seneca Falls and will provide **15 new jobs**.

B & I Guaranteed Loans			
County	Borrower	Lender	\$ Amount
Allegany	Enviro-Pac, Inc. (Fibercel)	BLC Commercial Corp.	1,800,000
Cattaraugus	Ashford Concrete, Inc.	1st International Bank	3,144,000
Chautauqua	Dawson Metal Co.	KeyBank, NA	600,000
Clinton	Plattco Corp.	1st International Bank	2,800,000
Erie	Bertrand Chaffee Hospital	HSBC Bank	2,500,000
Fulton	Euphrates, Inc.	NBT Bank, Gloversville	1,200,000
Livingston	Colfield, Randy & Linda	Wyoming County Bank	715,000
Livingston	46 Main St.	Wyoming Co. Bank	500,000
Livingston	Metalade, Inc. & ECO	1st International Bank	2,350,000
Livingston	10 University Dr., Inc.	Wyoming Co. Bank	200,000
Madison	Dockmate USA, Inc. & Foamold	NBT Bank, N.A.	250,000
Madison	Ferris Industries	Alliance Bank, N.A.	400,000
Ontario	Commodore Machine Co.	GE Capital SBFC	1,040,000
Ontario	GAS/ROP Realty Co.	1st International Bank	300,000
Ontario	DiClemente & Volke W.N.Y.	1st International Bank	336,000
Orleans	Empire Fruit, LLC	The Bank of Castile	2,350,000
Orleans	The Olde Pickle Factory, Inc.	1st International Bank	1,080,000
Oswego	Oliver Paine Greenhouse	Oswego County S. B.	450,000
Seneca	Dancing Bear, LLC (2 Loans)	NBT Bank, N.A.	1,100,000
Seneca	Blue Star Development	Nat'l Bank of Geneva	2,900,000
Seneca	Bona Dent, Inc.	Nat'l Bank of Geneva	5,240,000
Tompkins	Green Star Coop. Market	Alternatives Credit Union	200,000
Total Obligated Funds			\$31,455,000

"The employees in Region A strive to deliver the vast Rural Development programs to many diverse areas in the region. The needs of residents and communities, from the Adirondacks, the Mohawk Valley, the Hudson Valley and Long Island, are being served by the employees of the 5 Local Servicing Offices. These have put hundreds of people in homes or apartments, provided quality water, improved health care and developed new business opportunities."

ROY WITTICH
Rural Development Manager, Region A (Eastern)

Rural Business Enterprise Grants (RBEG)

In some parts of New York, the impediments to economic development are difficult to overcome. Sparse populations, hilly terrain, long distances to markets, lack of infrastructure and outmigration of skilled workers make it difficult to attract new businesses.

The RBEG program is a small program with a big mission. Used primarily in disadvantaged target communities, it provides resources to community economic development groups to stimulate small business development and job growth. With very limited resources we were able to make 6 grants to groups in Otsego, Sullivan, Delaware, Cortland and Allegany counties. The \$665,000 in grant funds will **leverage over \$2,000,000** in other funds and result in business development that will provide more than **250 new jobs**.

Other RBS Programs			
Rural Business Enterprise Grants			
County	Grantee	Type of Project	\$ Amount
Allegany	Allegany County IDA	Construction	142,000
Allegany	Sugar Hill Development Corp	Construction	127,000
Cortland	Green Thumb	Technical Assistance	84,000
Delaware	Watershed Ag Council	Equipment	38,000
Otsego	Otsego County Development	Revolving Loan Fund	99,000
Sullivan	Sullivan County	Construction	175,000
Total Obligated RBEG Funds			\$665,000
Rural Economic Development Loans			
County	Borrower	Type of Project	\$ Amount
Cayuga	Port Byron Telephone Co.	Construction	450,000
Total Obligated REDLG Funds			\$450,000
Intermediary Relending Program Loans			
County	Borrower	Type of Project	\$ Amount
Chemung	REDEC Relending Corp.	Revolving Loan Fund	500,000
Total Obligated IRP Funds			\$500,000



From L – R: Barbara Thompson, Community Development Manager in Binghamton; Robert Fortier, Green Thumb Field Operations Coordinator; Carol L. Merkur, Green Thumb State Director; and Karen McDonnell, Rural Development Specialist (Region B) at the open house for Green Thumb Inc. in Cortland, New York.

Green Thumb, Inc. is a nationwide organization that specializes in training the older worker. Their **\$84,000 grant** will provide money for equipment and operating expenses to provide training in computer skills to workers over the age of 55. They project that **80 workers** will be trained and placed in local businesses in the first year. This will meet a need that businesses have of finding employees with basic computer skills and allow small businesses to hire the employees they need to expand.

Sugar Hill Development Corp. in Alfred is one grant recipient that will use its **\$127,000 grant** to provide a sewer connection and other site development for an industrial park. The ceramic programs at the colleges in Alfred, and the proximity to Corning Glass Works, prompted New York State to designate this area as the "Ceramic Corridor." Several new businesses have been started in an incubator facility and have lacked a local place to move to once they are established. The industrial park will keep many of these businesses in Alfred and result in at least **26 new jobs**.

Intermediary Relending Program (IRP)

REDEC Relending Corp. has been an Intermediary Relending Program recipient and intermediary since 1993. They have used **\$1,250,000 of IRP loans and \$112,500 of matching funds to make 29 loans** to small businesses in Steuben, Chemung and Schuyler counties. The businesses financed provide **438 jobs** including 171 created by the projects REDEC financed. In 1999 we were able to obtain an additional \$500,000 IRP loan for REDEC to allow this fine program to continue.

Rural Economic Development Loan and Grant Program (REDLG)

RBS also has an economic development loan and grant program available only to Rural Electric Cooperatives and Rural Telephone Companies that have loans with the Rural Utilities Service (formerly REA electric & telephone programs). The zero percent loans or grants are made to the Rural Utilities Service borrower and are passed through to economic development or Community Facilities projects. We were able for the first time to obtain \$450,000 in zero percent loan funds for a project in Cayuga County. The loan recipient is the **Port Byron Telephone Company** and the ultimate recipient is the **Cayuga County Water & Sewer Authority** that will use the funds to install water lines in the **Route 31/Thruway Corridor**. The availability of water is expected to attract economic development to this area.

RBS Assists Market Development for Small Farms

Agriculture Secretary Dan Glickman has made ensuring economic viability and the success of small farmers a priority for all of USDA. Rural Development Under Secretary Jill Long Thompson has endorsed the findings of the Small Farms Commission Report which requested that USDA target several Rural Business-Cooperative Service programs for assistance to small farmers. We have implemented these recommendations and are able to report two B&I loan guarantees that will improve markets available to small farms.

Euphrates, Inc. – Hamdi Ulukaya, originally from a prominent family of cheese makers in Turkey, will establish a Feta cheese manufacturing plant near Johnstown. This plant, which will be the first in the United States designed specifically for production of Feta cheese, will also provide New York dairy farmers with access to a market growing 25% a year. It will use 200 tons per day of milk supplied by local dairy farmers. Financing is being provided by **NBT Bank, N.A.** with the guarantee provided through the B&I program, **Empire State Development Corporation**, the **Fulton County Economic Development Corporation** and **MORECO**.

Empire Fruit, LLC – H. H. Dobbins, Inc. and **Empire Fruit, LLC** are obtaining financing from the **Bank of Castile** to expand their fruit packaging and marketing facility in Lyndonville. The financing is being guaranteed through the B&I program. This facility will give fruit growers in Orleans County better access to fresh fruit markets such as **Tops, P&C, Quality** and **Riverside Markets** which offer better prices than fruit used for processing. The expanded facility and new packaging line will double H. H. Dobbins' capacity to store and process apples and other fruits to 500,000 bushels per year.

"Rural Development is unique in that it provides up-front, hands-on help to applicants that request our financial assistance. The local offices are service oriented and customer friendly. Our people will go to a town or a volunteer fire company and actually help them fill out needed paperwork, to help ease the typical burden of trying to get needed federal dollars. The people in the local offices that I manage and work with make Rural Development what it is, a fine organization to work with, and a good place to work."

THOMAS GARTUNG
Rural Development Manager, Region B (Central)

Cooperative Development Promoted by RBS Programs

During 1999 we were able to use the B&I loan guarantee program and the Rural Business Enterprise Grant program to provide financial assistance to two cooperatives.

Greenstar Cooperative Market, Inc. – Alternatives Federal Credit Union, a member-owned cooperative institution, received a B&I loan guarantee to allow it to make a loan to Greenstar Cooperative Market, Inc. Greenstar is a retail cooperative grocery outlet located in Ithaca. The \$200,000 loan will finance improvements to the deli-section and the produce floor plan, and installation of a Point of Sale cash register system to better serve their members and the general public.



Greenstar Cooperative Market, Inc., in Ithaca, New York.

This **3,500 member cooperative** tends to market itself as a natural foods grocery with a wide variety of products ranging from bulk food to fully prepared meals, as well as nutritional supplements and natural products. It grew out of the Ithaca Real Food Co-op, a grassroots preorder system created in 1971 by social and community activists. They are members of **Northeast Co-ops** and the **Cooperative Grocer's Association of the Northeast**.

By using the B&I loan guarantee program, Alternatives Federal Credit Union was able to expand its lending base and increase its assistance to other member-owned businesses.

Catskill Family Farms Cooperative – The Watershed Agricultural Council received a Rural Business Enterprise Grant (RBEG) on behalf of the newly formed Catskill Family Farms Cooperative. The grant financed the purchase of climate controlled refrigeration equipment and bagging and labeling equipment that the cooperative will use in its storage and packaging plant. The equipment will allow the cooperative to develop a direct marketing program throughout the Watershed and in New York City.

Members of the cooperative produce approximately 13 varieties of gourmet potatoes that can now be stored year-round and delivered directly to restaurants and retail outlets. The potatoes are packaged in bags imprinted with the Catskill Family Farms logo, a recipe from a gourmet chef, UPC code and other product information. The availability of storage facilities, and the marketing of their product in an attractive and informative package, will allow the cooperative members to bring in additional income by accessing new and untapped markets.

The Rural Business-Cooperative Service is continually looking for ways to assist cooperatives in rural areas. Our staff includes a Cooperative Development Specialist who works closely with existing cooperatives, or groups interested in forming a cooperative organization.

"Rural Development is the one place that customers can call and work with the same group of people throughout the application process. Our employees answer questions, help with problems and counsel the public regarding financial assistance. The Local Servicing Offices receive countless thank-you's from customers regarding their hands-on help. Our outstanding employees make USDA the people's department."

RONDA L. FALKENA
Rural Development Manager, Region C (Western)

Rural Utilities Service (RUS)

Through the RUS programs, water and/or wastewater service was provided to **15,395 users**. New York State ranked **No. 5 in the nation for water/wastewater loans and grants approved**. **Leveraged funds through RUS funding partners totaled \$23,406,492**. In addition to our water and wastewater programs, RUS administered funding of six additional projects, which were approved by the **Appalachian Regional Commission** and/or the **Economic Development Administration**. **These projects totaled \$2,594,000.**

Special Initiatives

Water 2000 is a Presidential Initiative that confronts the difficult challenge of providing safe, affordable drinking water in virtually every home. The effort is necessary to improve the health and productivity of the nation's rural communities. The program represents doing the right thing by making sound supportable investments in people.

Earth Day represents a similar initiative by the President targeting wastewater collection and treatment in rural areas. This program links environmental and public health in its Clean Water Action Initiative.

Each of these initiatives require extensive investment, strategic targeting of funds, strong leveraging and have a broad impact on rural America. Both of these initiatives represent the best in reinvented, more customer friendly government.

Through the Earth Day and Water 2000 Initiatives, New York State approved **8 projects totaling \$15,073,100.**

RUS Loans & Grants					
County		Project Name	Type	\$ Loans	\$ Grants
Allegany	*	Town of Friendship	Sewer	100,000	699,700
Cattaraugus		Town of Portville	Sewer	0	137,800
Chenango	*	Village of Sherburne	Sewer	100,000	583,000
Chenango	**	City of Norwich	Water	4,124,800	0
Clinton		Town of Dannemora	Sewer	106,500	32,700
Clinton	*	Town of Chazy	Sewer	100,000	1,500,000
Columbia		Village of Valatie	Water	336,500	0
Delaware	**	Village of Deposit	Water	462,300	542,000
Erie		Town of Aurora	Water	330,000	120,000
Erie		Town of Eden	Water	347,200	242,800
Erie		Town of Marilla	Water	1,419,700	875,300
Erie		Village of Farnham	Water	250,000	400,000
Erie		Village of Angola	Water	0	1,100,000
Fulton		Village of Broadalbin	Sewer	151,000	50,000
Jefferson		Town of Wilna	Water	149,400	410,600
Jefferson		Village of Clayton	Water	213,700	0
Jefferson		Village of Clayton	Sewer	100,000	686,300
Jefferson		Town of Orleans	Sewer	80,000	80,000
Jefferson		Town of Lyme	Water	0	1,336,100
Jefferson	*	Village of Chaumont	Sewer	100,000	2,000,000
Livingston		Livingston County Water District (WD)	Water	504,000	361,000
Montgomery		Village of Fort Johnson	Sewer	268,800	0
Oneida		Town of Annsville	Sewer	194,900	508,100
Oneida		Town of Deerfield	Water	125,000	0
Ontario		Village of Naples	Water	965,000	500,000
Ontario		Town of Manchester	Water	1,120,000	0
Orleans		Town of Clarendon	Water	211,100	160,800
Orleans		Town of Murray WD #7	Water	247,570	416,500
Orleans		Town of Murray WD #9	Water	74,300	200,000
Orleans		Town of Albion	Water	330,600	591,600
Orleans		Town of Kendall	Water	1,330,000	220,000
Orleans		Town of Yates	Water	294,000	221,000
Orleans		Town of Kendall	Water	308,000	0
Oswego		Town of Hastings	Water	1,400,000	0
Oswego	**	Town of Hannibal	Water	2,257,700	703,600
Schenectady	**	Town of Duanesburg	Sewer	100,000	1,700,000
Schoharie		Village of Sharon Springs	Sewer	56,070	0
Seneca		Town of Fayette	Water	715,700	250,700
Yates		Town of Benton	Water	477,600	555,400
Yates		Town of Jerusalem	Water	1,849,500	0
Total Obligated Funds				\$21,300,940	\$17,185,000
Total Allocated Funds				\$20,901,000	\$13,785,000
*Denotes Earth Day Projects					
**Denotes Water 2000 Projects					

Community Facilities (CF)

The CF program provides loans, grants and loan guarantees to public bodies, not-for-profits and Indian tribes for health care, public safety, telecommunications, public improvements, community support and educational services. **New York State ranked No. 1 in the nation for CF grants approved, No. 5 for direct CF loans and No. 6 for loan guarantees.** Continued partnering in fiscal year 1999 provided **\$4,737,596 in leveraged funds** from other sources.

Wee Care Childcare of Massena, Inc. located at 60 Maple Street, Massena received CF assistance in the form of a \$120,000 loan (obligated in fiscal year 1998) and \$87,500 in total grant funds (\$50,000 & \$10,000 in fiscal year 1998, and \$20,500 & \$7,500 in fiscal year 1999). The center presently serves 66 children and is the only state-licensed day care facility in the Massena area. The funds were used to renovate and purchase the historic, early-19th century former schoolhouse. A new roof, new windows, handicap ramps, electrical upgrades, paved driveway, new safety-glass doors, restoration of the brick façade and other upgrades were made possible through the CF funds enabling the not-for-profit to remain in business.

Community Facility Loans & Grants			
County	Project Name	\$ Loans	\$ Grants
Cattaraugus	Southern Tier West Business Resource Center, Inc.	500,000	
Cattaraugus	Weston Foundation, Inc.		6,300
Chautauqua	Gerry Vol. Fire Dept., Inc.	175,000	
Hamilton	Raquette Lake Fire District #3	149,900	
Hamilton	Inlet Vol. Emergency Services, Inc.	124,000	
Jefferson	Village of Evans Mills	740,000	10,000
Montgomery	Amsterdam Memorial Hospital	1,000,000 (loan guarantee)	
Onondaga	Howlett Hill Fire Dept., Inc.	200,000 (loan guarantee)	
Orange	City of Port Jervis	691,700	
Orleans	East Shelby Vol. Fire Co., Inc.	125,000	25,000
Orleans	Town of Gaines	400,000	
St. Lawrence	Herman Vol. Fire Dept. Inc.	50,000	11,000
St. Lawrence	W. Potsdam Vol. Fire Co., Inc.	120,000	9,000
St. Lawrence	Rensselaer Falls Vol. Fire & Rescue, Inc.	66,650	5,000
St. Lawrence	Wee Care Childcare of Massena, Inc.		7,500
St. Lawrence	Wee Care Childcare of Massena, Inc.		20,000
Tompkins	Ulysses Philomathic Library	200,000	20,000
Ulster	Hudson Valley Senior Residence	2,200,000 (loan guarantee)	
Warren	Hague Vol. Fire Dept., Inc.	700,000	
Wyoming	Wyoming Hook & Ladder Co. No. 1 of Wyoming, NY	30,000	3,600
Wyoming	Wyoming Free Circulating Library Association	76,000	11,000
Wyoming	Varysburg Fire Dept.	20,200	4,600
Wyoming	Wyoming County Community Action, Inc.	350,000	
Total Obligated Funds		\$7,918,450	\$133,000
Total Allocated Funds		\$9,142,000	\$133,000



Wee Care Childcare of Massena, Inc.

Rural Housing Service (RHS)

Single Family Housing (SFH)

Realizing The American Dream of Home Ownership Across New York State

The RHS direct and guaranteed loans provide individuals and families the opportunity to realize the "American Dream" of owning their own home.

During Fiscal Year 1999, we were able to assist **882 individuals and families** in either purchasing or constructing a home. We funded **\$23,126,220 in direct** and **\$32,192,270 in guaranteed loans** this year.

In Batavia, the Aleksey Chizh family, who are permanently admitted resident aliens from Russia, happily moved into their new home purchased with a Rural Home Loan Partnership mortgage of funds provided by M&T Bank and Rural Development. The Chizhes, with assistance from Rural Opportunities, Inc., used their savings to pay the closing costs. They are hoping their son and his family will visit from Russia and see their new home.

In Lafayette, Cheryl Cook, a single mother with three children, received a Rural Development loan to purchase a home. In a letter to the Lafayette Rural Development office, she writes, "I know there are lots of people out there like me. People who would do anything, work as hard as possible, if they knew at the end, they would have their dream. Thanks to your program my children and I have our dream and so much more." Since moving into her home, Cheryl began pursuing another dream – a degree from Syracuse University.

In Riverhead, the Newton family inherited a house that lacked a foundation, had a leaky roof, falling ceilings and rotting floors and siding. They lacked the resources to improve their housing situation. With the help of Rural Development Section 502 financing, the Newtons moved into a new home that was constructed on the land where their old substandard house stood.

Improving Housing Conditions for Rural New Yorkers

Rural Development was also able to provide assistance to very-low income individuals and families to make necessary repairs in their dwellings. During Fiscal Year 1999, we were able to assist **202 individuals and families**, funding a total of **\$979,100**.

In Clinton County, an alliance of the Clinton County Office of the Aging, the Clinton County Rural Preservation Company and the Plattsburgh Rural Development Office assisted over 40 elderly households with Section 504 loans and grants. The funds were used to remove health and safety deficiencies in the homes owned by the recipients.

In South Otselec, Chenango County, George and Barbara Beardsley lived in a home that could not be rehabilitated. They were forced to haul water in milk jugs from a local spring after their hand-dug well had run dry. Assisted by Opportunities For Chenango (OFC), a non-profit agency, the Beardsleys obtained a mobile home to replace their dwelling and a Rural Development Section 504 grant to not only dig a new well but also install a new septic system. OFC will further assist the Beardsleys this year by having volunteers build front and rear porches for their mobile home. Beverly Glen, Executive Director of OFC stated, "This spirit of cooperation that was utilized for the Beardsleys is needed to stretch the state and federal funds which are available in housing."

SFH Partnerships

In fiscal year 1999 the local offices continued to work with not-for-profit organizations and other area lenders. By working with the following agencies, New York Rural Development has been able to make the limited dollars allocated to the direct single family housing program go further, allowing us to assist more applicants. The largest partnerships continue to be with **Rural Opportunities, Inc., HSBC, Bank of Castile**, and the **Federal Home Loan Bank**.

Multi-Family Housing (MFH)

The Rural Housing Service in New York State has continued its innovative leveraged loan program in conjunction with **New York State Division of Housing and Community Renewal (DHCR)**. This important partnership enables New York Rural Development to provide more low income households in rural New York decent, safe and affordable housing by leveraging Rural Development multi-family housing funds with **HOME¹** or **Housing Trust Funds and Low Income Housing Tax Credits**.

As a result, in fiscal year 1999 New York Rural Development was able to leverage its **\$1,733,942** of Multi-Family Housing funds into **\$9,870,387 to construct five projects**, thus **providing 128 units** of affordable housing to low income families and elderly residents of rural New York. In addition, Rural Development **funded 64 units** at subsidized rates with the balance of rental assistance units being provided by DHCR.

New York was also successful in obtaining repair/rehabilitation funds in the amount of **\$1,351,000**. These funds make it possible for five existing projects to address needed repairs as well as health and safety concerns.

Rural Development in New York looks forward to continuing its relationship with Federal, State and private sector partners in fiscal year 2000 as we continue our endeavor to provide affordable housing to rural New York.



Katherine McCoy, Community Development Manager Lafayette Office(L); Diane & Charles Rock, General Partners Christopher Associates; Thomas Gartung, Rural Development Manager Region B (3rd from L) at the apartments in Phoenix, New York.



Tenants Marilyn and Gordon Thomas enjoy the view from their balcony at Austin Court Apartments owned and managed by Christopher Associates.

Christopher Court (see above photo) and Austin Court (see photo at left) are two of over 500 multiple family housing complexes serving families and the elderly throughout rural New York. It is an example of the way New York Rural Development has improved the quality of life through enhanced housing opportunities for rural residents.

The tenants, owners and on-site staff have developed their own community within the complex. Tenants compete with each other on decorating their patios at Halloween and Christmas as well as flower and plant arrangements in the summer. The owners judge the patios and provide prizes to the winners. The owner's mother played a role in the design of the apartments by proposing that each bathroom and kitchen have a window. The on-site staff helps tenants with maintaining landscaping, and solving ordinary or emergency problems with their homes, all of which result in a safe, caring community at the complex.

¹ The New York State HOME Program is administered by the New York State Housing Trust Fund Corporation (HTFC) using federal HOME Investment Partnership Program funds.

Community Development

Title VII of the Federal Agriculture Improvement and Reform Act authorized USDA Rural Development to expand its role from a sole source lender into the dual role of a lender and community development facilitator. In fiscal year 1999, Rural Development staff continued to facilitate strategic plan and organizational development activities while implementing Secretarial and interdepartmental initiatives aimed at maximizing the impact of federal programs in targeted areas in New York State. Initiatives administered included USDA's Rural Economic Area Partnership (REAP) and the joint USDA/HUD Canal Corridor Initiative.



Agriculture Secretary Dan Glickman (second from left), U.S. Representative Maurice Hinchey (third from left) and State Director James B. Bays (third from right) at the Sullivan Co. REAP Zone Signing Ceremony at Sullivan County Community College, Loch Sheldrake, New York.

Rural Economic Area Partnership (REAP)

Tioga County and Sullivan County/Town of Wawarsing became the Nation's third and fourth REAP Zones this fiscal year. REAP Zones are designated by the Secretary of Agriculture and are pilot programs which establish collaborative and citizen-led efforts that enhance community and economic development. REAP Zones follow the same procedures governing federally designated Empowerment Zones and Enterprise Communities. Holistic development strategies are being implemented within both Zones, which serve as tools to coordinate and maximize federal community development assistance. These zones were championed by U.S. Representative Maurice Hinchey.

Canal Corridor Initiative (CCI)

This initiative's memorandum of agreement (MOA) certifies and commits the Department of Housing and Urban Development (HUD) and USDA to combine federal resources along the 524-mile Erie Canal Corridor. The goal for fiscal year 1999 was to contribute \$85 million in USDA program funds within Canal Corridor Counties. In total over \$93 million of New York Rural Development funds were obligated this year, and when considering leveraged funds, over \$119 million.



Ribbon Cutting at Canal Corridor Initiative project announcements. From L-R: Kerry Kennedy Cuomo; U.S. Representative John M. McHugh; Peter Coleman, Proprietor; State Director James B. Bays; Oswego Mayor Terrence Hammill; HUD Secretary Andrew Cuomo; and Cuomo children.



HUD map of the joint HUD/USDA Canal Corridor.



Boat carrying dignitaries along the Canal Corridor during project announcements.

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James B. Bays, State Director

Paul Dendis, Assistant to the State Director; Diane Kuchinski, Secretary to the State Director; Joel Weirick, Administrative Program Director; Paul Remillard, Rural Development Coordinator; Ora Giles, Human Resources Manager; Kenneth Shanks, Information Resources Manager; Joel Weirick, Acting Single Family Housing Program Director; George VonPless, Multi-Family Housing Program Director; Lowell Gibson, Rural Business-Cooperative Service Program Director; David Miller, Rural Utilities Service Program Director; Stephen Yorton, Engineer/Team Leader; Michael Bosak, Architect; Elaine Benjamin, Public Information Coordinator.

REGION C (Western)

*Ronda Falkena, RD Manager
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Batavia: (716) 343-9167, Ext. 2200

Bath: (607) 776-7398, Ext. 4

Canandaigua: (716) 394-0525, Ext. 4

Ellicottville: (716) 699-2375, Ext. 4

Ithaca: (607) 257-2737, Ext. 4

*Central Processing Center:
(607) 257-2737, Ext. 5*

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*Roy Wittich, RD Manager
(914) 744-8093*

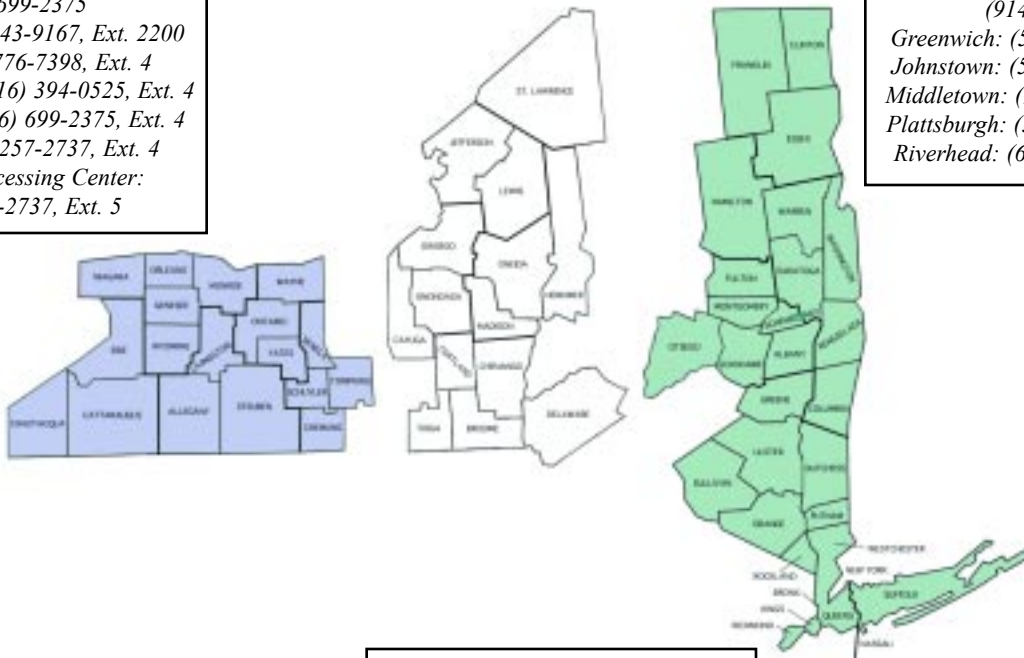
Greenwich: (518) 692-9940, Ext. 4

Johnstown: (518) 762-0077, Ext. 4

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Plattsburgh: (518) 561-4540, Ext. 4

Riverhead: (631) 727-5666, Ext. 4



REGION B (Central)

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Lafayette: (315) 677-3552, Ext. 4

Marcy: (315) 736-3316, Ext. 4

Watertown: (315) 782-7289, Ext. 4

CIVIL RIGHTS AND SPECIAL EMPHASIS

New York Rural Development values a diverse workforce which is fully trained, and is flexible in meeting the changing needs of our internal and external customers. We are proud of our ongoing achievements in assuring that all employees, customers, and co-workers are treated fairly and equitably, and with the highest degree of dignity and respect. At New York Rural Development we constantly strive to improve upon everything we do. All employees and work teams share the responsibility for continuous improvement through innovations and creativity. Below is a directory of our Special Emphasis Program Coordinators:

African American Program: Ora Giles, (315) 477-6405

Civil Rights: Rhonda Brown, (716) 699-2375, Ext. 119

Disability Program: Cheryl F. Snyder, (315) 782-7289, Ext. 125

Equal Employment Opportunity: Patricia Snover, (518) 692-9940, Ext. 125

Hispanic Program: Andrew T. Muscarella, (716) 343-9167, Ext. 1008

Native American Program: Paul Remillard, (315) 477-6409

Women's Program: Karen Ninemire, (315) 477-6422

*Visit New York State Rural Development's Web Site:
<http://www.rurdev.usda.gov/ny>*



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